

# County of Los Angeles CHIEF EXECUTIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION LOS ANGELES, CALIFORNIA 90012 (213) 974-1101 http://ceo.lacounty.gov

July 1, 2008

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The Honorable Board of Supervisors County of Los Angeles 383 Kenneth Hahn Hall of Administration 500 West Temple Street Los Angeles, CA 90012

**Dear Supervisors:** 

DEPARTMENT OF PUBLIC WORKS: REJECT BIDS
PROJECT ID NO. WWD4004032

AVENUE M AND 5TH STREET EAST WELL UTILITY SITE PROJECT
DRILLING AND EQUIPPING OF WATER WELLS AND
CONSTRUCTION OF WATER DISINFECTION FACILITIES
CITY OF PALMDALE
(SUPERVISORIAL DISTRICT 5)
(3 VOTES)

#### **SUBJECT**

This action is to reject the sole bid for the drilling and equipping of water wells and construction of water disinfection facilities in the City of Palmdale.

#### IT IS RECOMMENDED THAT YOUR BOARD:

Reject the sole bid received on March 25, 2008, for Project ID No. WWD4004032, Avenue M and 5th Street East Well Utility Site Project, City of Palmdale (5).

#### PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On March 25, 2008, one bid was received for this contract. This bid was 28.5 percent above the engineer's estimate. A bid analysis revealed that the subcontractor's work comprised of approximately 62 percent of the entire bid and that the unit costs for many of the well drilling and equipping bid items were significantly higher than the same items

The Honorable Board of Supervisors July 1, 2008 Page 2

in recently awarded projects. Therefore, rejecting this bid, modifying the plans and specifications so that the prime contractor can perform the majority of the work, and readvertising the project will be in the County's best interest.

# Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs that we provide Service Excellence (Goal 1), Fiscal Responsibility (Goal 4), and Community Services (Goal 6). The recommended action will allow the Department of Public Works to make changes to the plans and specifications to provide for lower and more competitive bids when the project is readvertised.

## FISCAL IMPACT/FINANCING

There will be no impact to the County General Fund.

It is anticipated that this work will be readvertised in the near future at a nominal administrative cost which will be offset by savings generated from more competitive bids.

## FACTS AND PROVISIONS/LEGAL REQUIREMENTS

A certified record of receipt of the bids and the original bid proposal as submitted by the bidder are included to be filed at the Executive Office.

The Instruction to Bidders included in the bid documents provides for the rejection of all bids by your Board if such action is in the best interest of the County.

## **ENVIRONMENTAL DOCUMENTATION**

In accordance with Section 15378 (b)(4), of the State of California Environmental Quality Act (CEQA) Guidelines, approval of the recommended action does not constitute a project and hence, is not subject to the requirements of CEQA.

## <u>IMPACT ON CURRENT SERVICES (OR PROJECTS)</u>

Cancelling the project at this time will not significantly impact the Department of Public Works' ability to maintain its waterworks services to the community.

The Honorable Board of Supervisors July 1, 2008 Page 3

# **CONCLUSION**

Please return one adopted copy of this letter to the Department of Public Works, Construction Division.

Respectfully submitted,

WILLIAM T FUJIOKA Chief Executive Officer

WTF:DDE JTS:en

c: County Counsel
Office of Affirmative Action Compliance